SOUTHERN CALIFORNIA



ASSOCIATION of GOVERNMENTS

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Ventura County Transportation Commission: Keith Milhouse, Moorpark

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MEETING OF THE

ENERGY WORKING GROUP

Tuesday, May 23, 2006 12:15 p.m. -2:15 p.m.

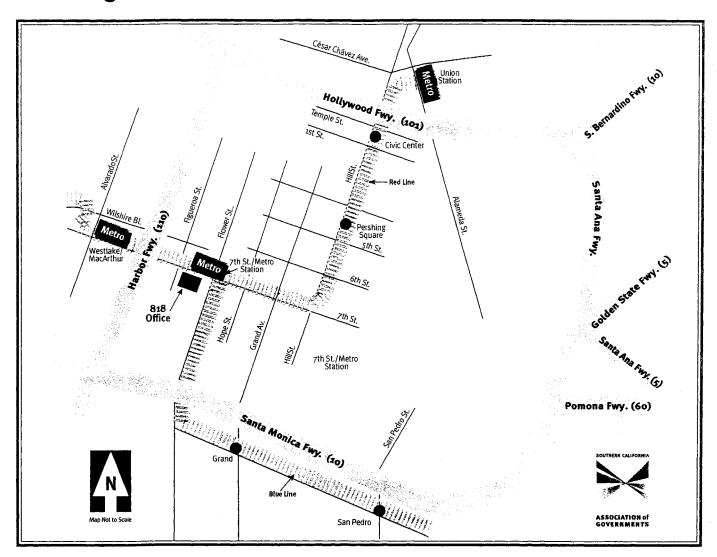
SCAG Offices 818 W. 7th Street, 12th Floor Riverside A Conference Room Los Angeles, California 90017 213.236.1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Deby Salcido at 213.236.1993 or salcido@scag.ca.gov

Agenda and minutes are available on the web at: http://scag.ca.gov/rcp/energy.htm

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• Harbor Freeway (110) Exit on 6th Street, turn right on Flower.

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Energy Working Group

AGENDA

May 23, 2006

1.0 CALL TO ORDER

2.0 PUBLIC COMMENT PERIOD

Members of the public desiring to speak on an agenda item or items not on the agenda, but within the purview of the Committee, must fill out and present a speaker's card to the Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The chair may limit the total time for all comments to twenty (20) minutes.

3.0 REVIEW and PRIORITIZE AGENDA ITEMS

4.0 CONSENT CALENDAR

5.0 ACTION ITEMS

5.1 Selection of the Energy Working Group Chair, Vice-Chair

10 Minutes

6.0 <u>DISCUSSION ITEMS</u>

6.1 Schedule Jennifer Sarnecki 07
Attachment SCAG Staff

20 Minutes

Staff will present a draft schedule for the group

6.2 Energy Chapter Current Conditions
Attachment

Jennifer Sarnecki 08 SCAG Staff 20 Minutes

Staff will present information contained in the Current Conditions section of the Energy Chapter.



Energy Working Group

AGENDA

6.3 Energy Chapter Performance

Outcomes and Policies

Jennifer Sarnecki 12 SCAG Staff 20 Minutes

Attachment

Staff will present energy performance outcomes and policies for discussion

6.4 Member Presentation

Woodrow Clark Milken Institute 15 Minutes

7.0 CHAIR'S REPORT

8.0 STAFF REPORT

9.0 FUTURE AGENDA ITEMS

Any Committee members or staff desiring to place items on a future agenda may make such request. Comments should be limited to three (3) minutes.

10.0 ANNOUNCEMENTS

11.0 ADJOURNMENT

The next meeting(s) of the Energy Working Group will be discussed.



Summary Minutes for April 25, 2006

The following minutes are a summary of discussions held by the Energy Working Group.

The Energy Working Group held its meeting at the Southern California Association of Governments offices in Los Angeles. The meeting was called to order by Mark Pisano, Executive Director, Southern California Association of Governments.

	Invited		
Members Present	Representing	Members Absent	Representing
Carol Gomez	SCAQMD	Bill Allayaud	Sierra Club
Cheryl Collart	Ventura County Reg.	Scott Baugh	Mayer, Brown,
	Energy Alliance		Rowe & Maw
Angela Mazzie	County of L.A.	Regina A. Birdsell	CPUC
	Energy Mgmt.	Brian Brennan	City of Ventura
Howard Choy	County of L.A.	Yvonne Burke	County of L.A.
	Energy Mgmt.	Annabel Cook	Regional Issues
Darrell Clarke	Sierra Club		Consultant
Felix Oduyemi	SCE	Ronald Deaton	LADWP
Stewart Wells	So. Cal Gas Co.	Joseph Desmond	CA Energy Comm
Marilyn Lyon	SBCCOG	Karen Edson	CA Independent
Catherine Showalter	UCLA Extension		Service Operator
Susan Munves	City of Santa Monica	Marcie Edwards	CA Municipal
Michael Feinstein	Ex-officio		Utilities Assn.
Margaret Clark	City of Rosemead	Marjorie Hamilton	SCE
Enid Joffe	City of Sierra Madre	Bill Kelly	Powerlight Corp.
Kevin Ross	Powerlight Corp.		
Ty Schuiling	SANBAG	Richard Lambros	Building Industry
Debbie Cook	Huntington Beach		Assn of So. Cal.
Kate Lutz	Californians for	Nancy McKeever	CA Energy Comm
	Clean Energy	John Melvin	CA Dept of Forestry
Woody Clark	Clark Strategies	Ann Notthoff	Natural Resource
Katrina Rosa	HDR, Inc.		Defense Council
		Gail Pringle	Callegus Municipal Water District
		Jesse Silva	Imperial Irrigation
		Ed Smeloff	Sharp Solar
		Michael Theroux	Theroux Environ.
		Lori Van Arsdale	City of Hemet
		Dennis Washburn	City of Calabasas
		Chung Liu	SCAQMD

Summary Minutes for April 25, 2006

1.0 CALL TO ORDER

Mark Pisano, SCAG, called the meeting to order at 10:00 a.m. He provided opening comments on the proposed purpose and direction of the group.

2.0 PUBLIC COMMENT PERIOD

The group nominated and chose Hon. Debbie Cook as the interim Chair.

Jim Stewart, Benchmarks Task Force and Transportation Plans and Programs TAC, suggested that Carbon Dioxide and Green House Gases be more carefully reflected in the Regional Comprehensive Plan and that a Goal to Carbon Neutrality be prepared.

3.0 REVIEW AND PRIORITIZE AGENDA ITEMS

4.0 CONSENT CALENDAR

4.1 Receive and File Energy Working Group Invitees.

The Consent Calendar was approved as submitted.

5.0 ACTION ITEMS

None

6.0 INFORMATION ITEMS

6.1 <u>Introductions</u>

The group and SCAG staff made self-introductions and provided brief background information.

6.2 Working Group Organization

Jacob Lieb, SCAG Staff informed the group of what a SCAG Working Group is, what the purpose and charge is, staff needs, and proposed outcomes from the group.

The following are some of the ideas the group would like to focus on:

- Force the transportation community to take full consideration of this issue into the regional transportation planning field.
- Recognize as area of importance.
- Produce projections and scenarios.
- Begin with a common knowledge base.

Summary Minutes for April 25, 2006

The group decided to hold the Energy Working Group meetings on the 4th Tuesday of each month at 12:00 Noon to 2:00 p.m.

6.3 Regional Comprehensive Plan

Jacob Lieb, SCAG Staff, provided an overview of the Regional Comprehensive Plan (RCP) approach, contents, and schedule. He also provided a brief powerpoint presentation.

6.4 Energy Chapter

Jennifer Sarnecki, SCAG Staff, provided the group with the key areas of the RCP Energy Chapter that they will be asked to discuss and provide input. Staff informed the group that they will be asked to provide feedback on the existing Energy Chapter policies, structure, and outcomes.

7.0 CHAIR'S REPORT

None

8.0 STAFF REPORT

None

9.0 FUTURE AGENDA ITEMS

• Selection of Chair and Vice-chair.

10.0 ANNOUNCEMENTS

None

11.0 ADJOURNMENT

The meeting was adjourned at 12:00 noon. The next Task Force meeting is scheduled for May 23, 2006, 12:15 p.m. - 2:15 p.m.

DATE:

May 23, 2006

TO:

Energy Working Group

FROM:

Jennifer Sarnecki, AICP, Associate Planner, (213) 236-1829, sarnecki@scag.ca.gov

SUBJECT:

Energy Working Group Schedule

SUMMARY:

Staff will present a draft schedule for the Energy Working Group.

BACKGROUND:

The following schedule identifies the tasks by meeting. This discussion incorporates the feedback received from last month's kick-off meeting.

Meeting 1: Introductions. Establish the group structure and organization. Provide input on potential consultant work.

Meeting 2: Review draft Energy Chapter's current conditions. Review proposed energy policies and performance outcomes.

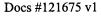
Meeting 3: Review and recommend energy policies and performance outcomes.

Meeting 4: Review state energy plan(s).

Meeting 5: Consultant report on performance outcomes. Review local examples of energy planning, best practices.

Meeting 6: Final review of consultant work on the Energy Chapter.

Meeting 7: Final review of the complete Energy Chapter





DATE:

May 23, 2006

TO:

Energy Working Group

FROM:

Jennifer Sarnecki, AICP, Associate Planner, (213) 236-1829, sarnecki@scag.ca.gov

SUBJECT:

Energy Chapter Current Conditions

SUMMARY:

Staff will present information contained in the Current Conditions section of the Preliminary Draft Energy Chapter.

BACKGROUND:

The Preliminary Draft Energy Chapter includes a Current Conditions section. The following information is a summary of the information provided in the chapter.

Electricity

Electricity Consumption by Sector

The SCAG region consumed 46% of the electricity in the state in 2004. The percentage of consumption by individual sectors follows the same pattern as the state. Commercial, residential, and industrial users consume 88% of the electricity in the region, with the remaining 14% consumed by agricultural, mining, or other uses.

Source: California Energy Commission. (September 2005). California Energy Demand 2006-2016 Staff Energy Demand Forecast.

Electricity Production

Natural gas is used to supply the largest percentage of electricity in California (42%). Only 10% of electricity in the state comes from renewable energy sources such as geothermal, biomass, small hydrologic projects, wind, and solar sources.

Source: California Energy Commission. 2004 Net System Power Calculation Report, Energy Commission Publication # CEC-300-2005-004.

Natural Gas

Natural Gas Consumption

Natural gas supply and demand data are compiled by the state's natural gas utilities in the annual California Gas Report. Californians consumed approximately 6 billion cubic feet per day of natural gas in 2004. Source: California Energy Commission, Natural Gas Statistics,

http://www.energy.ca.gov/naturalgas/statistics, accessed November 30, 2005.

The most recent data show that the residential sector uses the largest amount of natural gas, both across the state and in the SCAG region.

Source: California Energy Commission, California Energy Demand 2006-2016 Staff Energy Demand Forecast, Revised September 2005, CEC-400-2005-034-SF-ED2.



Total natural gas demand in California is projected to increase by 0.7% per year from 2006 to 2016, with strong growth in the residential and commercial sectors offset by declining industrial gas demand and slower growth in gas consumption by power generators than has been observed in recent years. Source: California Energy Commission, 2005 Integrated Energy Policy Report, November 21, 2005, page 129.

Natural Gas Production

California produced only 13% of this daily amount, leaving the state to rely on other sources to meet the large majority of the state's needs. Imports came from the Southwestern United States (39%), Canada (24%), and the Rocky Mountain region of the United States (25%). Since 1994, California began to rely on natural gas from Canada and the Rocky Mountains region and has seen both the physical amount and the percentage produced within California as well as imported from the Southwest decrease. In 2004, offshore production accounted for 11% of California's total gas production.

Source: California Energy Commission, Natural Gas Statistics,

http://www.energy.ca.gov/naturalgas/statistics, accessed November 30, 2005.

Alternative Energy Sources

Southern California Edison prepares a semi-annual status report on qualifying facilities to the California Public Utilities Commission. Qualifying facilities are those that use alternative or renewable energy sources. Cogeneration provides the most megawatts of energy from qualifying facilities for Southern California Edison with over 2,000 megawatts under contract. Wind is the second largest source for energy from qualifying facilities with over 1,000 megawatts. Southern California Edison's energy from qualifying facilities is presented below.

Southern California Edison Energy from Qualifying Facilities			
MegaWatts Under Contract			
2,241			
1,069			
950			
379			
254			
95			
4,988			

|Source: Southern California Edison Company. (31 January 2006). QF Resources: Qualifying Facilities Semi-Annual Status Report to the California

Public Utilities Commission.



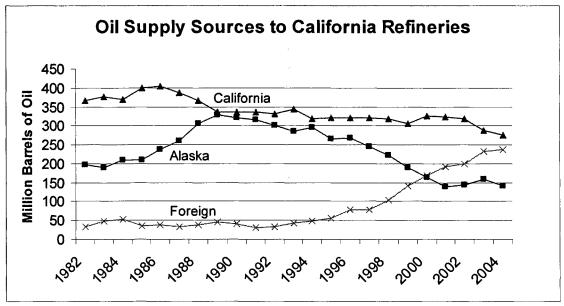
Distributed Generation

A small portion of the SCAG region's electrical power is currently provided by distributed energy resources. According to the CEC's Distributed Generation Strategic Plan, there are over 500 installations totaling 766 MW of operational distributed generation in Southern California Edison's territory, with another 215 MW proposed. The LADWP 2000 Integrated Resource Plan has a goal of meeting 50% of load growth through distributed generation, demand side management and renewable resources. ²

A number of state programs have been established to facilitate the installation of distributed and self generation, including Governor Schwarzenegger proposal for a "million solar roofs" program designed to provide 3,000 megawatts of energy by 2018.³

<u>Petroleum</u>

California as a state ranks 4th in oil reserves and oil production. California also ranks 1st in gasoline consumption and 2nd in distillate fuel and jet fuel consumption. In 2004, the total receipts to refineries of roughly 655 million barrels came from in-state oil production (42%), combined with oil from Alaska (22%), and foreign sources (36%).



Source: California Energy Commission, Oil Supply Sources to California Refineries, March 9, 2005, http://www.energy.ca.gov/oil/statistics/crude_oil_receipts.html, accessed December 15, 2005.

Travel Fuel Consumption

The California Department of Transportation reports that vehicles in the SCAG region consumed over 21.5 million gallons of fuel per day in 2000, accounting for 47% of the fuel consumed in the state. This data may be updated with SCAG's forecast in the future.

United States Department of Energy, Petroleum Profile, California; August 2005. http://tonto.eia.doe.gov/oog/info/state/ca.html, accessed December 13, 2005 California Energy Commission, Oil and Petroleum in California, October 20, 2005, http://www.energy.ca.gov/oil/, accessed December 13, 2005.



Page 3

¹ California Energy Commission, Distributed Generation Strategic Plan, June 2002

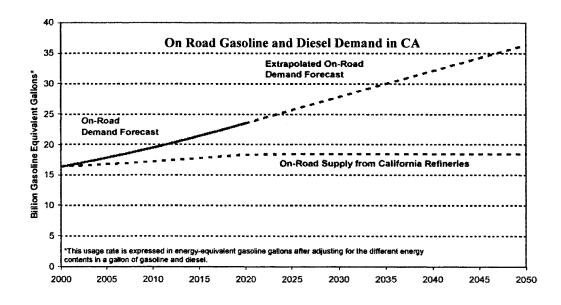
² Los Angeles Department of Water and Power, 2000 Integrated Resource Plan

³ California Senate Bill SB1 (2005 Session) as amended, accessed June 14, 2005.

Vehicle Fuel Consumption (VFC) and Vehicle Miles Traveled (VMT), 2000				
County/Region	VFC (Gallons/Day)	VMT/Day		
Imperial	274,466	4,692,770		
Los Angeles	11,579,222	224,343,633		
Orange	3,735,060	73,383,463		
Riverside	2,241,512	42,984,468		
San Bernardino	2,773,932	50,377,970		
Ventura	933,197	18,687,142		
SCAG Region	21,537,389	414,469,447		
California	46,121,370	880,468,493		

Source: California Department of Transportation, Division of Transportation System Information. (November 2003). *California Motor Vehicle Stock, Travel and Fuel Forecast*.

California's refining capacity has not been able to keep up with the demand for transportation fuels.⁶ Because of that, the gasoline market is increasingly unstable as refinery accidents or scheduled maintenance create shortages and price fluctuations. The below figure indicates the demand forecast to 2050:⁷



⁷ California Energy Commission (CEC)/California Air Resources Board: Reducing California's Petroleum Dependence, August 14, 2003 Final, Adopted Joint Agency AB 2076 Report, publication # 600-03-006F. Accessed December 15, 2005.



⁶ California Energy Commission/California Air Resources Board: Reducing California's Petroleum Dependence, August 14, 2003 Final, Adopted Joint Agency AB 2076 Report, publication # 600-03-006F. Accessed December 15, 2005.

DATE: M

May 23, 2006

TO:

Energy Working Group

FROM:

Jennifer Sarnecki, AICP, Associate Planner, (213) 236-1829, sarnecki@scag.ca.gov

SUBJECT:

Energy Chapter Performance Outcomes and Policies

SUMMARY:

Staff will present energy performance outcomes and policies for discussion.

BACKGROUND:

The Regional Comprehensive Plan (RCP) is organized around performance outcomes. Preliminarily, the RCP Task Force and staff have identified a few outcomes affecting the Energy Chapter: reducing the consumption of non-renewable resources, reducing the vehicle miles traveled per capita, and identifying open space for preservation.

The policies in each RCP chapter are distinct from the performance outcomes and represent the existing position of the Regional Council. The policies will also assist SCAG staff with the Intergovernmental Review of significant projects in the region.

As mentioned at the previous meeting, policies contained in the 2004 Regional Transportation Plan Environmental Impact Report and the Growth Vision cannot be edited. However, some policies can be revised, including those contained in the previous Regional Comprehensive Plan and Guide (1996), Draft Energy Policies, and SCAG Resolutions.

While the Energy Working Group may review existing policies, focusing on the performance outcomes is the best way to direct the discussion. Policies should relate to the performance outcomes for energy. For example, how will each policy assist in the reduction of non-renewable resource consumption? The performance outcomes will in turn, dictate the activities included in the Chapter's Action Plan.

As discussed at the April 25 meeting, the Energy Working Group serves in an advisory capacity. Recommendations made by the Energy Working Group would be heard by the RCP Task Force. The RCP Task Force would determine if the recommendations should be reported to the Energy and Environment Policy Committee and the Regional Council.

Preliminary Outcomes

- Per capita electricity consumption
 - Is the per capita electricity consumption increasing or decreasing? The region's goal should be to reduce per capita consumption from non-renewable resources.
- Per capita travel fuel consumption
 - Is the per capita travel fuel consumption increasing or decreasing. The region's goal should be to reduce travel fuel consumption from non-renewable resources.



- Energy imports
 - Electricity

Is the region importing more or less energy from out of state and out of the country?

Travel fuel

Is the region importing more or less travel fuel from out of state and out of the country?

- Percentage share of renewable energy in energy mix
 Is the percentage share of renewable energy increasing?
- LEED-certified buildings
 Are the number of LEED-certified buildings increasing?
- Automobile fuel efficiency
 Are automobiles becoming more fuel efficient?

Energy Policies

Growth Vision (cannot edit)

Energy Policy 1: Develop strategies to accommodate growth that use resources efficiently, eliminate pollution, and significantly reduce waste.

Energy Policy 3: Encourage investment in transit.

2004 Environmental Impact Report (cannot edit)

- Energy Policy 6: Work with local jurisdictions and energy providers, through [SCAG's] Energy and Environment Committee and other means, to encourage regional-scale planning for improved energy management. Future impacts to energy shall be minimized through cooperative planning and information sharing within the SCAG region. This cooperative planning shall occur during the update of the Energy chapter of SCAG's Regional Comprehensive Plan and Guide.
- Energy Policy 7: Encourage state and federal lawmakers and regulatory agencies to pursue the design of programs to either require or incentivize the expanded availability and use of alternative-fuel vehicles to reduce the impact of shifts in petroleum fuel supply and price.

SCAG Resolutions (editing allowed)

- Energy Policy 2: Encourage local jurisdictions to purchase alternative fuel vehicles, support the installation of refueling infrastructure, planning, education, and outreach to promote alternative fuel vehicles, support the development of legislation, programs, funding, and technology which addresses clean fleets and alternative fuels.
- Energy Policy 4: Oppose current power plant projects at the US-Mexico border, until California Best Available Control Technologies are installed and maintained on all power plants along the border.



Energy Policy 5: Support only the use of the best available technology including monitoring, air, and water impacts for locating any nuclear waste facility.

Draft Energy Policies (editing allowed)

Energy Policy 8: Encourage cost-effective alternative and renewable energy generation facilities

Energy Policy 9: Encourage reliable energy through the diversification of sources

Energy Policy 10: Encourage cogeneration, where feasible and cost-effective.

Energy Policy 11: Encourage greater coordination between the California Public Utilities Commission and Independent Service Operator.

Energy Policy 12: Encourage increasing capacity of existing transmission lines, where feasible.

Energy Policy 13: Encourage the public and private sectors to use energy efficient materials in building design, construction, rehabilitation and retrofit.

1996 Regional Comprehensive Plan and Guide (editing allowed)

Encourage patterns of urban development and land use, which reduce costs on infrastructure construction and make better use of existing facilities.

The timing, financing, and location of public facilities, utility systems, and transportation systems shall be used by SCAG to implement the region's growth policies.

In areas with large seasonal population fluctuations, such as resort areas, forecast permanent populations. However, appropriate infrastructure systems should be sized to serve high season population totals.

The population, housing, and jobs forecasts, which are adopted by SCAG's Regional Council ant that reflect local plans and policies, shall be used by SCAG in all phases of implementation and review.

Docs #121682 v1

